GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1830
ANSWERED ON:24.08.2007
FINANCIAL BENEFITS TO MARGINAL FARMERS
Sarvey Shri Sathyanarayana

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has constituted any high powered committee to prepare a strategy for expanding financial services to vulnerable groups, including marginal farmers;

(b) if so, the details thereof;

(c) whether the Committee has submitted its report; and

(d) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): The Crovernment has constituted a `Committee on Financial Inclusion`, under the Chairmanship of Dr C Rangarajari, Chairman, Economic Advisory Council to Prime Minister. The Terms of Reference of the Committee are as follows :-

(i) Studying the pattern of exclusion from access to financial services disaggregated by region, gender and occupational structure;

(ii) Identification of barriers confronted by vulnerable groups in accessing credit and financial services, including supply, demand and institutional constraints;

(iii) Reviewing of the international experience in implementing policies for financial inclusion and examine their relevance/applicability to India;

(iv) To suggest strategy to extend financial services to small and marginal farmers and other vulnerable groups, including measures to streamline and simplify procedures, reduce transaction costs and make the operations transparent;

(v) To look into the measures including institutional changes to be undertaken by the financial sector to implement the proposed strategy of financial inclusion;

(vi)To suggest a monitoring mechanism to assess the quality and quantum of financial inclusion including indicators for assessing progress.

(c) & (d): The Committee has submitted its Interim Report. Based on its recommendations, two funds, viis., a `Financial. Inclusion Fund`, with NABARD for meeting the cost of developmental and promotional interventions and a `Financial Inclusion Technology Fund`, to meet the costs of technology adoption, are to be constituted. Ee.ch Fund envisages an overall corpus of Rs. 500 crore, with initial funding to be contributed by the Central Government, RBI and NABARD.